STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF PERMIAN RESOURCES, OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNITS, EDDY COUNTY, NEW MEXICO.

CASE NO. 24965

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Ryan Curry
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Christopher Cantin
B-1	Regional Locator Map
B-2	Cross-Section Location Map
B-3	Subsea Structure Map - Second Bone Spring
B-4	Subsea Structure Map - Third Bone Spring
B-5	Stratigraphic Cross-Section
B-6	Gun Barrel Development Plan
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Notice Letters to All Interested Parties Sent November 12, 2024
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for November 14, 2024

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24965	APPLICANT'S RESPONSE		
Date: December 5, 2024			
Applicant	Permian Resources Operating, LLC		
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (OGRID No. 372165)		
Applicant's Counsel:	Hinkle Shanor LLP		
Case Title:	Application of Permian Resources Operating, LLC for Compulsory		
	Pooling and Overlapping Spacing Unit, Eddy County, New Mexico.		
Entries of Appearance/Intervenors:	N/A		
Well Family	Bonneville		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	Top of the Bone Spring Formation to the base of the Second		
	Bone Spring Interval		
Pool Name and Pool Code:	Avalon; Bone Spring, North Pool (Code 3712)		
Well Location Setback Rules:	Statewide		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	400 acres		
Building Blocks:	quarter-quarter		
Orientation:	East to West		
Description: TRS/County	S/2 NW/4 of Section 14 and the S/2 N/2 of Sections 15 and 16, Township 20 South, Range 27 East, Eddy County.		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this	Yes.		
application?			
Other Situations			
Depth Severance: Y/N. If yes, description	Applicant seeks to pool interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log.		
Proximity Tracts: If yes, description	No.		
Proximity Defining Well: if yes, description	N/A		
Applicant's Ownership in Each Tract	Exhibit A-3		
Well(s)			
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed		
Well #1	Bonneville 14 Fed Com 122H (API # pending) SHL: 1,848' FNL & 1,825' FWL (Unit F), Section 14, T20S-R27E BHL: 1,650' FNL & 100' FWL (Unit E), Section 16, T20S-R27E Completion Target: Second Bone Spring (Approx. 7,100' TVD)		
AFE Capex and Operating Costs			
Drilling Supervision/Month \$	\$10,000		
Production Supervision/Month \$	\$1,000		
Justification for Supervision Costs	Exhibit A-4		
Requested Risk Charge	200%		
Notice of Hearing			
Proposed Notice of Hearing	Exhibit A-1		
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3		
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4		
Ownership Determination			

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Tact List (including lease numbers and owners) Exhibit A-3 If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. N/A Pooled Parties (including ownership type) Exhibit A-3 Unicatable Parties to be Pooled N/A Ownership Depth Severance (including percentage above & below) Exhibit A-3 Joinder Exhibit A-4 Sample Copy of Proposal Letter Exhibit A-4 Ust of Interest Vomers (ie Exhibit A of JOA) Exhibit A-5 Overhead Rates in Proposal Letter Exhibit A-4 Cost Estimate to Drill and Complete Exhibit A-4 Cost Estimate to Drill and Complete Exhibit A-4 Cost Estimate to Equip Well Exhibit B Summary (Including special considerations) Exhibit B-4 Geology Exhibit B-5 Outerhead Rates Exhibit B-6 Well Orientation (with rationale) Exhibit B-6 Well Orientation (with rationale) Exhibit A-2 Cross Section Exhibit A-3 Genergy Exhibit A-3 Well Orientation (with rationale) Exhibit A-3 Cross Section (Including Lading Tractory) Exhibit A-3	Land Ownership Schematic of the Spacing Unit	Exhibit A-3
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Cross Section Location Map (including wells)Exhibit B-2Cross Section (including Landing Zone)Exhibit B-5Additional InformationSpecial Provisions/StipulationsSpecial Provisions/StipulationsN/ACERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.Printed Name (Attorney or Party Representative):Dana S. HardySigned Name (Attorney or Party Representative):/s/ Dana S. Hardy	Structure Contour Map - Subsea Depth	Exhibits B-3
Cross Section (including Landing Zone) Exhibit B-5 Additional Information N/A Special Provisions/Stipulations N/A CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. Printed Name (Attorney or Party Representative): Dana S. Hardy Signed Name (Attorney or Party Representative): /s/ Dana S. Hardy	· · ·	
Additional Information Special Provisions/Stipulations CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. Printed Name (Attorney or Party Representative): Dana S. Hardy Signed Name (Attorney or Party Representative): /s/ Dana S. Hardy		
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. Printed Name (Attorney or Party Representative): Dana S. Hardy Signed Name (Attorney or Party Representative): /s/ Dana S. Hardy		
Printed Name (Attorney or Party Representative): Dana S. Hardy Signed Name (Attorney or Party Representative): /s/ Dana S. Hardy	Special Provisions/Stipulations	N/A
Printed Name (Attorney or Party Representative): Dana S. Hardy Signed Name (Attorney or Party Representative): /s/ Dana S. Hardy	CERTIFICATION: I hereby certify that the information prov	ided in this checklist is complete and accurate.
Date: 11/25/2024	Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
	Date:	11/25/2024

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 24965

SELF-AFFIRMED STATEMENT OF RYAN CURRY

1. I am a landman with Permian Resources Operating, LLC ("Permian Resources"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

 Copies of Permian Resources' application and proposed hearing notice are attached as Exhibit A-1.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.

4. Permian Resources seeks an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 400-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 NW/4 of Section 14 and the S/2 N/2 of Sections 15 and 16, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Bonneville 14 Fed Com #122H** well ("Well"), which will be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 14 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 16.

Permian Resources Operating, LLC Case No. 24965 Exhibit A Released to Imaging: 11/27/2024 4:38:41 PM

6. The Well will be completed in the Avalon; Bone Spring, North Pool (Code 3712).

7. The completed interval of the Well will be orthodox.

8. Permian Resources seeks to pool interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log.

9. The Unit will partially overlap with the spacing unit for the Bonneville 16 State #301H (API No. 30-015-49816), Bonneville 16 State #302H (API No. 30-15-49806), and Bonneville 16 State #303H (API No. 30-015-49818) wells ("Bonneville Wells"). The Bonneville Wells are located in the N/2 of Section 16, Township 20 South, Range 27 East, and produce from the Avalon; Bone Spring, North Pool (Code 3712).

10. **Exhibit A-2** contains the C-102 for the Well.

11. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Permian Resources seeks to pool highlighted in yellow. Exhibit A-3 also identifies the existing, overlapping spacing units.

12. Permian Resources has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.

13. Exhibit A-4 contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

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2

14. In my opinion, Permian Resources made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

15. Permian Resources requests overhead and administrative rates of \$10,000 per month while the Well is being drilled and \$1,000 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Permian Resources and other operators in the vicinity.

16. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

17. In my opinion, the granting of Permian Resources' application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

<u>||/|9/2</u>4 Date

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STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 24965

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 400-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 NW/4 of Section 14 and the S/2 N/2 of Sections 15 and 16, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.

2. The Unit will be dedicated to the **Bonneville 14 Fed Com #122H** well ("Well"), which will be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 14 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 16.

3. The completed interval of the Well will be orthodox.

4. Applicant seeks to pool interests in from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log.

5. The Unit will partially overlap with the spacing unit for the Bonneville 16 State #301H (API No. 30-015-49816), Bonneville 16 State #302H (API No. 30-15-49806), and Bonneville 16 State #303H (API No. 30-015-49818) wells ("Bonneville Wells"). The Bonneville

Permian Resources Operating, LLC Case No. 24965 Exhibit A-1 Wells are located in the N/2 of Section 16, Township 20 South, Range 27 East, and produce from the Avalon; Bone Spring, North Pool (Code 3712).

6. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 5, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Approving the proposed overlapping spacing unit;
- D. Designating Permian Resources Operating, LLC as operator of the Unit and the Well to be drilled thereon;
- E. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and completing the Well;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% charge for the risk assumed by Permian Resources Operating,
 LLC in drilling and completing the Well against any working interest owner who
 does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Dylan M. Villescas P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com *Counsel for Permian Resources Operating, LLC* Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Eddy County, New Mexico. Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 400-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 NW/4 of Section 14 and the S/2 N/2 of Sections 15 and 16, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Bonneville 14 Fed Com #122H well ("Well"), which will be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 14 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 16. The completed interval of the Well will be orthodox. Applicant seeks to pool interests in from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log. The Unit will partially overlap with the spacing unit for the Bonneville 16 State #301H (API No. 30-015-49816), Bonneville 16 State #302H (API No. 30-15-49806), and Bonneville 16 State #303H (API No. 30-015-49818) wells ("Bonneville Wells"). The Bonneville Wells are located in the N/2 of Section 16, Township 20 South, Range 27 East, and produce from the Avalon; Bone Spring, North Pool (Code 3712). Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10 miles North of Carlsbad, New Mexico.

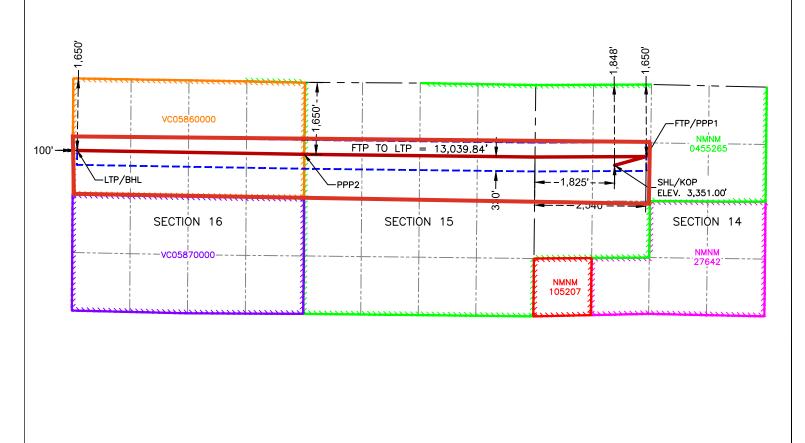
ived b	by OCD: 1	1/27/2024 1	0:43:22 A	M					an Resourc 10. 24965	ces Operating, L
0,1					lew Mexico Exhibit A-2 Revised Jul ural Resources Department			Revised July 9, 2024		
Submit Electronically OIL CONSERVA Via OCD Permitting				TION DIVISION			🗹 Initial Su	ıbmittal		
	Dienneng							Submittal Type:	Amende	
								Type.	🗆 As Drille	ed
					WELL LOCATI	ION INFORMATION				
API N	umber TBD)	Pool Code	3712		Pool Name Avalon	; Bone S	pring. N	orth	
Prope	rty Code	BD	Property N	lame	BONNEVI	LLE 14 FED COM		[],	Well Numb	er 122H
OGRII	D No. 37216	5	Operator I			JRCES OPERATING				vel Elevation , 351.00'
		owner: 🗌 Stat	te □ Fee □					e 🗆 Fee 🗆	Tribal 🗹 Fe	
					Surfa	ce Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Lo	ongitude	County
F	14	205	27E	201	1,848' FNL	1,825' FWL	32.575		04.254340°	EDDY
					Bottom	Hole Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Lo	ongitude	County
Е	16	20S	27E		1,650' FNL	100' FWL	32.576	643° -10	04.294315°	EDDY
			•		•			•		
Dedica 400	ated Acres	Infill or Defining		Defining	g Well API	Overlapping Spacing	g Unit (Y/N)	Consolidat TBD	ion Code	
	Numbers.	TBD	-5	ТВО		Y IBD Well setbacks are under Common Ownership: ⊠Yes □No				
oraci		TBD								
		Taurahin	Danas	1		ff Point (KOP)	1			County
UL F	Section 14	Township 20S	Range 27E	Lot	Ft. from N/S 1,848' FNL	Ft. from E/W 1,825' FWL	Latitude 32.575		ongitude	County EDDY
Г	14	203	276			ake Point (FTP)	32.575	-10	04.254340°	EDDT
UL	Section	Township	Range	Lot	FIL from N/S	Ft. from E/W	Latitude		ongitude	County
F	14	20S	27E	Lot	1,650' FNL	2,540' FWL	32.576		04.251986°	EDDY
-						ake Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Lo	ongitude	County
Е	16	20S	27E		1,650' FNL	100' FWL	32.576	643° -10	04.294315°	EDDY
Unitize	ed Area or A	rea of Uniform	n Interest	Spacing	g Unit Type 🗷 Ho	rizontal 🗌 Vertical	Grou	nd Floor Ele	vation:	
OPER	ATOR CER	TIFICATIONS	;			SURVEYOR CERTIFI	ICATIONS			
best of	my knowledge	e and belief, an	d, if the well is	a vertical o	nd complete to the or directional well, ed mineral interest	I hereby certify that the w actual surveys made by r correct to the best of my	me or under m			
in the la well at	and including t this location p	the proposed bo oursuant to a co	ottom hole loca	ation or has owner of a v	a right to drill this working interest or at or a compulsory	PRELIN		Y		
pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling			RELIED UPON AS A FINAL SURVEY DOCUMENT. NICHOLAS COLE PHIPPS P.S. 29796							
order fr	om the divisio	n.				COOSA CONSULTI PO BOX 1583, MIDL				
Signatı		Evans-	C	0ate 11/15/	/24	Signature and Seal of Pro	ofessional Sur	veyor		
Printed	Name					Certificate Number	Date of Sur	/ey		
	sie Evan	15				29796		2	/14/2024	

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This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



SURFACE HOLE LOCATION & KICK-OFF POINT 1,848' FNL & 1,825' FWL ELEV. = 3,351.00'
NAD 83 X = 565,670.28
NAD 83 Y = 573,174.78'
NAD 83 LAT = 32.575687°
NAD 83 LONG = -104.254340°
NAD 27 X = 524,490.13'
NAD 27 Y = 573,113.61'
NAD 27 LAT = 32.575571°
NAD 27 LONG = -104.253831°

FIRST TAKE POINT & PENETRATION POINT 1 <u>1.650' FNL & 2.540' FWL</u> NAD 83 X = 566.395.08' NAD 83 LAT = 32.576239° NAD 83 LAT = 32.576239° NAD 83 LONG = -104.251986° NAD 27 X = 525,214.91' NAD 27 Y = 573,314.95' NAD 27 LAT = 32.576123° NAD 27 LONG = -104.251478°

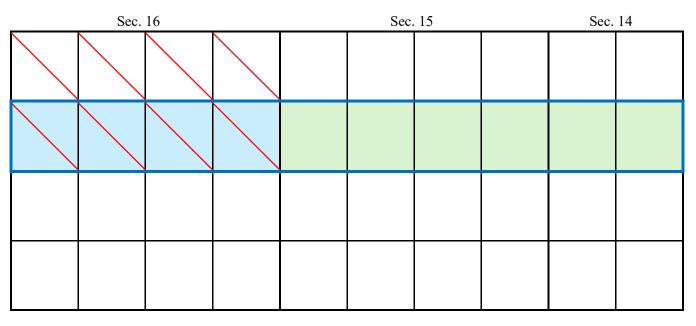
PENETRATION POINT 2 1,650' FNL & 0' FWL NAD 83 X = 558,561.01' NAD 83 Y = 573,426.89' NAD 83 LAT = 32.576393° NAD 83 LONG = -104.277419° NAD 27 X = 517,381.03' NAD 27 Y = 573,365.81' NAD 27 LAT = 32.576276° NAD 27 LONG = -104.276909° LAST TAKE POINT & BOTTOM HOLE LOCATION 1,650' FNL & 100' FWL NAD 83 X = 553,356.38' NAD 83 X = 573,515.62' NAD 83 LAT = 32.576643° NAD 83 LONG = -104.294315° NAD 27 X = 512,176.52' NAD 27 X = 573,454.61' NAD 27 LAT = 32.576527° NAD 27 LONG = -104.293804°

Permian Resources Operating, LLC Case No. 24965 Exhibit A-3

Bonneville 14 Fed Com 122H Permian Resources Operating, LLC

Township 20 South - Range 27 East, N.M.P.M.

Section 14: S/2NW/4 Section 15: S/2N/2 Section 16: S/2N/2 Containing 400.00 acres, more or less Eddy County, New Mexico Limited in Depth to from the Top of the Bone Spring Formation to the Base of the 2nd Bone Spring Formation



Tract 1	USA BLM NMNM-455265			
Tract 2	State of NM VC-0586			
Overlapping Spacing Unit:				
Bonneville 16 State #301H (30-015-49816)				
Bonneville 16 State #302H (30-015-49806)				
	lle 16 State #303H (30-015-49818)			

Tract 1: S/2NW/4 of Section 14 & S/2N/2 of Section 15 (containing 240.00 acres more or less)

Permian Resources Operating LLC	50.000000%
Fasken Land & Minerals Ltd.	49.00000%
Tascosa Energy Partners, LLC	1.000000%
Total	100.000000%

Tract 2: S/2N/2 of Section 16

(containing 160.00 acres, more or less)	
Permian Resources Operating, LLC	66.666667%
DLH Capital, LLC	33.333333%
Tascosa Energy Partners, LLC	Record Title
Total	100.000000%

Unit Working Interest

Permian Resources Operating LLC	56.666667%
Fasken Land & Minerals Ltd.	29.400000%
Tascosa Energy Partners, LLC*	0.600000%
DLH Capital, LLC	13.333333%
Total	100.000000%
Total Committed to Unit	86.066667%
Total Seeking to Pool	13.933333%
Parties Seeking to Pool	

* Denotes Lessee of Record/Record Title



OFFICE 432.695.4222 FAX 432.695.4063

August 28, 2024

Via Certified Mail & Email

Tascosa Energy Partners, LLC 901 W. Missouri Ave. Midland, TX 79701

RE: Bonneville 14 Fed Com – Well Proposal W/2 of Sec. 14 & All of Secs. 15 & 16, T20S-R27E Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as Operator ("Permian"), hereby proposes the drilling and completion of the following Bone Spring wells, the Bonneville 14 Fed Com at the following approximate locations within Township 20 South, Range 27 East:

1. Bonneville 14 Fed Com #121H

SHL: Unit Letter C of Section 14, or at a legal location within Section 14 BHL: 10' FWL & 330' FNL of Section 16 FTP: 2540' FWL & 330' FNL of Section 14 LTP: 100' FWL & 330' FNL of Section 16 TVD: Approximately 7,100' TMD: Approximately 19,885' Proration Unit: N/2NW/4 of Sec. 14 & N/2N/2 of Secs. 15 & 16, T20S-R27E Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Bonneville 14 Fed Com #122H

SHL: Unit Letter F of Section 14, or at a legal location within Section 14 BHL: 10' FWL & 1650' FNL of Section 16 FTP: 2540' FWL & 1650' FNL of Section 14 LTP: 100' FWL & 1650' FNL of Section 16 TVD: Approximately 7,100' TMD: Approximately 19,885' Proration Unit: S/2NW/4 of Sec. 14 & S/2N/2 of Secs. 15 & 16, T20S-R27E Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

3. Bonneville 14 Fed Com #123H

SHL: Unit Letter K of Section 14, or at a legal location within Section 14 BHL: 10' FWL & 2310' FSL of Section 16 FTP: 2540' FWL & 2310' FSL of Section 14 LTP: 100' FWL & 2310' FSL of Section 16 TVD: Approximately 7,100' TMD: Approximately 19,885' Proration Unit: N/2SW/4 of Sec. 14 & N/2S/2 of Secs. 15 & 16, T20S-R27E Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE



OFFICE 432.695.4222 **FAX** 432.695.4063

4. Bonneville 14 Fed Com #124H

SHL: Unit Letter N of Section 14, or at a legal location within Section 14 BHL: 10' FWL & 990' FSL of Section 15 FTP: 2540' FWL & 990' FSL of Section 14 LTP: 100' FWL & 990' FSL of Section 15 TVD: Approximately 7,100' TMD: Approximately 14,885' Proration Unit: S/2SW/4 of Sec. 14 & S/2S/2 of Sec. 15, T20S-R27E Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

5. Bonneville 14 Fed Com #131H

SHL: Unit Letter C of Section 14, or at a legal location within Section 14 BHL: 10' FWL & 330' FNL of Section 15 FTP: 2540' FWL & 330' FNL of Section 14 LTP: 100' FWL & 330' FNL of Section 15 TVD: Approximately 8,425' TMD: Approximately 16,210' Proration Unit: N/2NW/4 of Sec. 14 & N/2N/2 of Sec. 15, T20S-R27E Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

6. Bonneville 14 Fed Com #132H

SHL: Unit Letter F of Section 14, or at a legal location within Section 14 BHL: 10' FWL & 1870' FNL of Section 15 FTP: 2540' FWL & 1870' FNL of Section 14 LTP: 100' FWL & 1870' FNL of Section 15 TVD: Approximately 8,275' TMD: Approximately 16,060' Proration Unit: S/2NW/4 of Sec. 14 & S/2N/2 of Sec. 15, T20S-R27E Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

7. Bonneville 14 Fed Com #133H

SHL: Unit Letter K of Section 14, or at a legal location within Section 14 BHL: 10' FWL & 1870' FSL of Section 15 FTP: 2540' FWL & 1870' FSL of Section 14 LTP: 100' FWL & 1870' FSL of Section 15 TVD: Approximately 8,475' TMD: Approximately 16,260' Proration Unit: N/2SW/4 of Sec. 14 & N/2S/2 of Sec. 15, T20S-R27E Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE



OFFICE 432.695.4222 FAX 432.695.4063

The location, TVD, and target is approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at Ryan.Curry@permianres.com

Respectfully,

Ryan B Curry

Ryan Curry Senior Landman Permian Resources

Enclosures



OFFICE 432.695.4222 FAX 432.695.4063

Bonneville 14 Fed Com Elections:

Well Elections: (Please indicate your responses in the space below)						
Well(s)	Elect to Participate	Elect <u>NOT</u> to Participate				
Bonneville 14 Fed Com #121H						
Bonneville 14 Fed Com #122H						
Bonneville 14 Fed Com #123H						
Bonneville 14 Fed Com #124H						
Bonneville 14 Fed Com #131H						
Bonneville 14 Fed Com #132H						
Bonneville 14 Fed Com #133H						
Bonneville 14 Fed Com #134H						

Company Name (If Applicable):

Ву:	
Printed Name:	
Date:	

Well Proposal: Bonneville 14 Fed Com Bone Spring Wells

Received by OCD: 11/27/2024 10:43:22 AM



300 N. MARIENFELD STREET, SUITE 1000 MIDLAND, TX 79701

OFFICE 432.695.4222 FAX 432.695.4063 Page 19 of 59

Participate / Rejection Declaration

Please return this page to Permian Resources Operating, LLC ("Permian") by the date specified in the letter, signed indicating your election to either participate in or reject this insurance program. If you reject the insurance coverage arranged by Permian, then, to the extent that Permian has an obligation to secure any such insurance on your behalf under any applicable agreements or otherwise, Permian will be relieved of such obligation, and Permian will assume that you maintain appropriate levels of insurance and will provide a current Certificate of Insurance upon request. If you fail to make an election within 30 days from receipt of this notice, you will be deemed a participant in the program as detailed on the attached and billed for your percentage participation as such.

- I hereby elect to participate in the insurance coverage arranged by Permian Resources
 Operating, LLC and understand that I will be charged for such participation.
- I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

Company Name (If Applicable):

By: _____

Printed Name: _____

Date:_____



AFE Number:		Description:	Bonneville 14 Fed Com #122H	
AFE Name:	Bonneville 14 Fed Com #122H	AFE TYPE:	Drill and Complete	
Well Operator:	PERMIAN RESOURCES			
Operator AFE #:				
Account	Description			Gross Est. (\$
Completion Intangit	ble			
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK			\$17,430.00
8025.1500	ICC - FUEL / POWER			\$718,581.00
8025.3600	ICC - SUPERVISION/ENGINEERING			\$5,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT			\$15,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR			\$2,982,465.00
8025.3000	ICC - WATER HANDLING			\$251,347.00
8025.1600	ICC - COILED TUBING			\$228,138.00
8025.3050	ICC - SOURCE WATER			\$301,617.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE			\$40,000.00
8025.3800	ICC - OVERHEAD			\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING			\$465,710.00
8025.3500	ICC - WELLSITE SUPERVISION			\$54,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL			\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR			\$40,000.00
8025.2000	ICC - TRUCKING			\$14,375.00
8025.3400	ICC - RENTAL EQUIPMENT			\$195,012.00
8025.2300	ICC - COMPLETION FLUIDS			\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS			\$10,500.00
			Sub-total	\$5,374,175.00
Flowback Intangible				
8040.1400	IFC - WIRELINE OPEN/CASED HOLE			\$6,825.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT			\$30,000.00
8040.3400	IFC - RENTAL EQUIPMENT			\$84,000.00
8040.3700	IFC - SAFETY / ENVIRONMENTAL			\$10,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK			\$180,000.00
8040.3500	IFC - WELLSITE SUPERVISION			\$7,000.00
8040.1899	IFC - FRAC WATER RECOVERY			\$203,020.30
8040.1200	IFC - COMPLETION RIG			\$14,175.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP			\$10,000.00
			Sub-total	\$545,020.30
Flowback Tangible				
8045.1700	TFC - PACKER/DOWNHOLE TOOLS			\$10,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS			\$15,000.00
8045.3100	TFC - MEASURMENT EQUIPMENT			\$10,000.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT			\$25,000.00
8045.2000	TFC - WELLHEAD EQUIPMENT			\$14,000.00
8045.3400	TFC - CONTRACTOR LABOR INSTALL			\$5,000.00
8045.1100	TFC - TUBING			\$154,100.00
			Sub-total	\$233,100.00

Facilities

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Cost Estimate

Page 21 of 59 Printed Date: Aug 27, 2024

\$14,400.00

•

RESOURCES		Printed Date: Aug 27, 2024	
<u>Account</u>	Description		<u>Gross Est. (\$)</u>
8035.4500	FAC - CONTINGENCY		\$90,091.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$16,667.00
8035.3800	FAC - FLARE/COMBUSTER		\$31,667.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$100,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$1,333.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$65,000.00
8035.2400	FAC - SUPERVISION		\$13,333.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$15,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$160,000.00
8035.2900	FAC - TANK BATTERY		\$133,667.00
8035.3600	FAC - ELECTRICAL		\$133,333.00
8035.2500	FAC - CONSULTING SERVICES		\$3,333.00
8035.1700	FAC - RENTAL EQUIPMENT		\$10,000.00
8035.4400	FAC - COMPANY LABOR		\$1,133.00
8035.3700	FAC - AUTOMATION MATERIAL		\$58,333.00
8035.2100	FAC - INSPECTION & TESTING		\$280.00
8035.3400	FAC - METER & LACT		\$185,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$160,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$8,817.00
		Sub-total	\$1,186,987.00
Pipeline			
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$53,030.30
8036.1310	PLN - PEMANENT EASEMENT		\$109,964.00
8036.2800	PLN - FLOWLINE MATERIAL		\$79,166.67
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$53,030.30
8036.2700	PLN - PIPELINE MATERIAL		\$409,728.00
		Sub-total	\$704,919.27
Drilling Intangible			
8015.3700	IDC - DISPOSAL		\$132,500.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN		\$15,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$108,333.33
8015.4100	IDC - RENTAL EQUIPMENT		\$41,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$20,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$30,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$70,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$100,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$22,000.00
8015.4300	IDC - WELLSITE SUPERVISION		\$102,000.00
8015.5200	IDC - CONTINGENCY		\$166,774.26
8015.2150	IDC - DRILL BIT		\$100,000.00
8015.5000	IDC - WELL CONTROL INSURANCE		\$13,447.74
8015.1700	IDC - DAYWORK CONTRACT		\$648,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$55,000.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
			.

8015.4600 IDC - SAFETY / ENVIRONMENTAL

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Cost Estimate

Printed Date: Aug 27, 2024

RESOURCES		Printed	Date: Aug 27, 2024
<u>Account</u>	Description		<u>Gross Est. (\$</u>
8015.1000	IDC - PERMITS,LICENSES,ETC		\$15,000.00
8015.2350	IDC - FUEL/MUD		\$153,500.00
8015.2400	IDC - RIG WATER		\$11,140.00
8015.2300	IDC - FUEL / POWER		\$129,750.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$49,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$260,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$166,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$27,500.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$30,000.00
8015.3100	IDC - CASING CREW & TOOLS		\$65,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$280,000.00
8015.4200	IDC - MANCAMP		\$40,000.00
		Sub-total	\$2,946,345.33
Drilling Tangible			
8020.1100	TDC - CASING - SURFACE		\$155,214.62
8020.1500	TDC - WELLHEAD EQUIPMENT		\$65,875.00
8020.1400	TDC - CASING - PRODUCTION		\$975,942.21
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$357,714.00
		Sub-total	\$1,554,745.83
Completion Tangible			
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
		Grand Total	\$12,592,542.73



Bonneville – Chronology of Communication

August 28, 2024 – Proposals sent to all parties.

August 29, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. regarding proposal details.

September 3, 2024 – Emailed received from Tascosa Energy Partners, LLC regarding interest in the unit & request JOA to review.

September 6, 2024 – Received Tascosa Energy Partners, LLC's election to participate.

September 9, 2024 – Received Murphy Petroleum Corporation's election to participate.

September 13, 2024 – Email received from DLH Capital, LLC requesting digital copies of proposal.

September 17, 2024 – Email correspondence with DLH Holdings, LLC regarding interest in the unit.

September 17, 2024 – Received elections from NMNM 2023, LP to participate.

September 18, 2024 – Email correspondence with DLH Capital, LLC regarding interest in the unit & provided a copy of proposed JOA.

September 25, 2024 – Email received from Fasken Land & Minerals, Ltd. requesting a drafted JOA on preferred form.

September 30, 2024 – Email correspondence with Integrated Petroleum, LLC regarding possible term assignment.

October 9, 2024 - Email correspondence with DLH Capital, LLC regarding JOA participation.

October 10, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. regarding proposed JOA.

October 17, 2024 - Email correspondence with DLH Capital, LLC regarding JOA participation.

October 23, 2024 - Email correspondence with DLH Capital, LLC regarding JOA participation.

October 25, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. requesting revisions to the JOA.

October 28, 2024 - Email correspondence with Fasken Land & Minerals, Ltd. requesting revisions to the JOA.

November 12, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. Regarding JOA revisions.

November 13, 2024 - Email correspondence with Fasken Land & Minerals, Ltd. Regarding JOA revisions.

Permian Resources Operating, LLC Case No. 24965 Exhibit A-5



OFFICE 432.695.4222 FAX 432.695.4063

November 14, 2024 – Email correspondence with Fasken Land & Minerals, Ltd. Regarding JOA revisions and letter agreement.

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STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNITS, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24964 24965 24966

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24967 24968 24969 24970 24971

SELF-AFFIRMED STATEMENT OF CHRISTOPHER CANTIN

1. I am a geologist with Permian Resources Operating, LLC ("Permian Resources"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum geology were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a regional locator map that identifies the Bonneville project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of these applications.

4. Exhibit B-2 is a cross section location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation. The approximate wellbore paths for the proposed Bonneville 14 Fed Com #121H, Bonneville 14 Fed Com #122H, Bonneville 14 Fed Com

Permian Resources Operating, LLC Case No. 24965 Exhibit B

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#123H, Bonneville 14 Fed Com #124H, Bonneville 14 Fed Com #131H, Bonneville 14 Fed Com #132H, Bonneville 14 Fed Com #133H, Bonneville 14 Fed Com #134H wells ("Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Wells.

5. **Exhibit B-3** is a Subsea Structure map on the base of the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed Wells with an orange line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red stars. The map demonstrates the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-4** is a Subsea Structure map on the base of the Third Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed Wells with an red line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red stars. The map demonstrates the formation is gently dipping to the southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

7. **Exhibit B-5** identifies two wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A'. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from west to east and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Wells is labeled on the exhibit. The approximate well-paths for Page 27 of 59

the proposed Wells are indicated by a dashed orange and red lines to be drilled from east to west across the units. This cross-section demonstrates the target interval is continuous across the Unit.

8. **Exhibit B-6** is a gun barrel diagram that shows the proposed Wells in the Bone Spring formation. The spacing unit is defined by a blue box and is labeled with the case number.

9. In my opinion, a lay down orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.

10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.

11. In my opinion, the granting of Permian Resources' application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

12. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

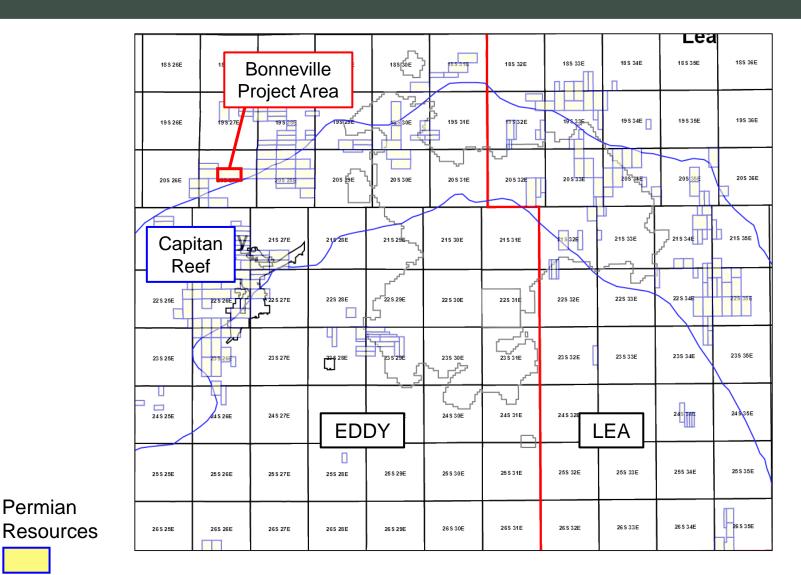
CHRISTOPHER CANTIN

21/2024

Date

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Regional Locator Map Bonneville 14 Fed Com

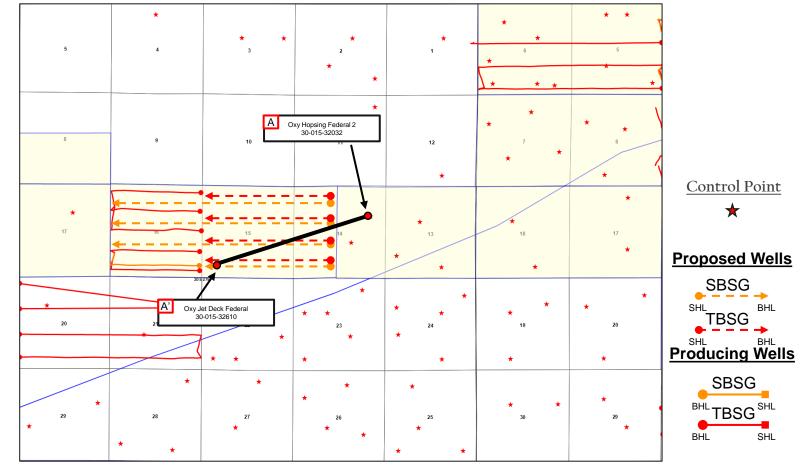


Permian



Page 28 of 59

Cross-Section Locator Map Bonneville 14 Fed Com Second Bone Spring and Third Bone Spring

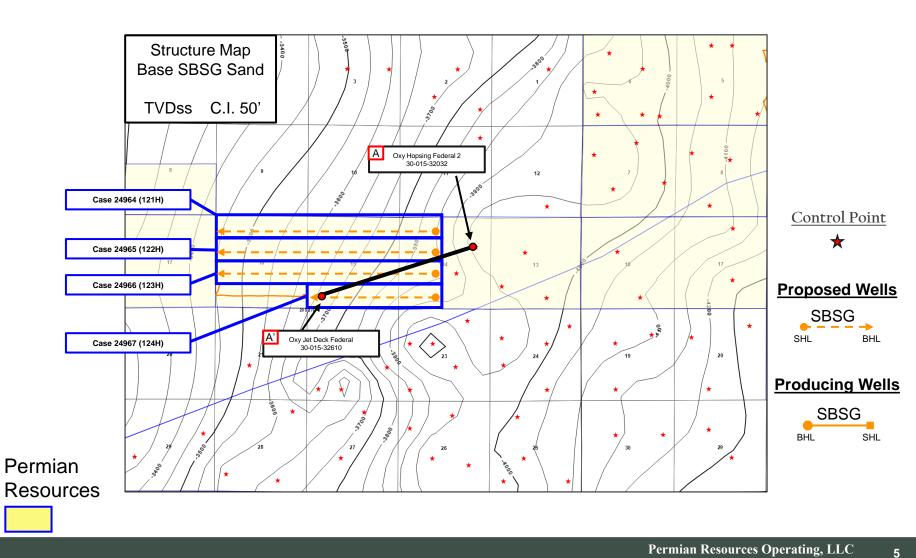


Permian Resources

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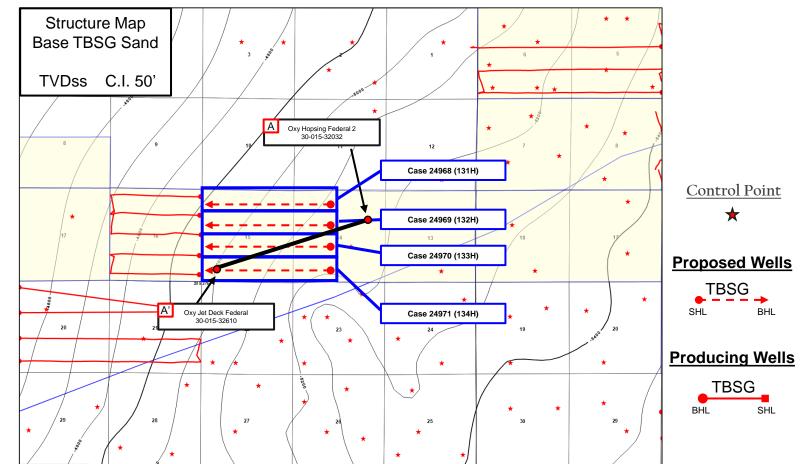
Page 29 of 59

Base of Second Bone Spring – Structure Map Bonneville 14 Fed Com 121H - 124H



Page 30 of 59

Base of Third Bone Spring – Structure Map Bonneville 14 Fed Com 131H - 134H

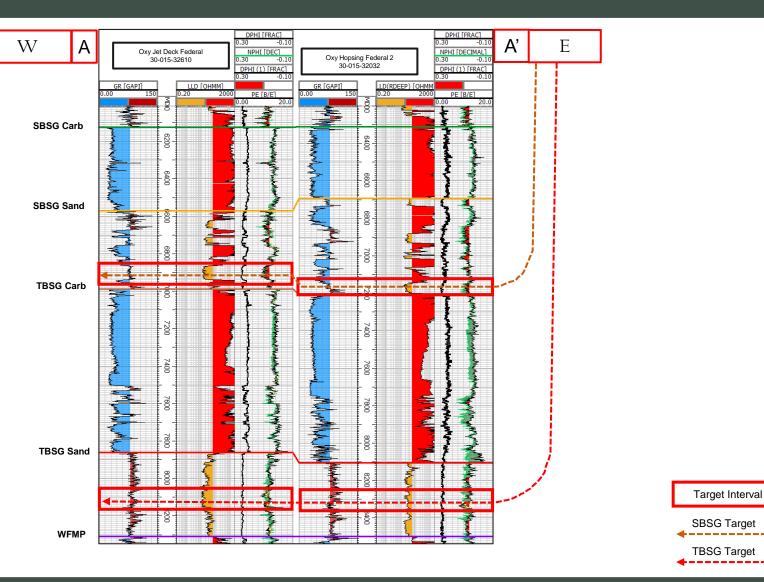


Permian Resources



Page 31 of 59

Stratigraphic Cross-Section A-A' Bonneville 14 Fed Com Second and Third Bone Spring

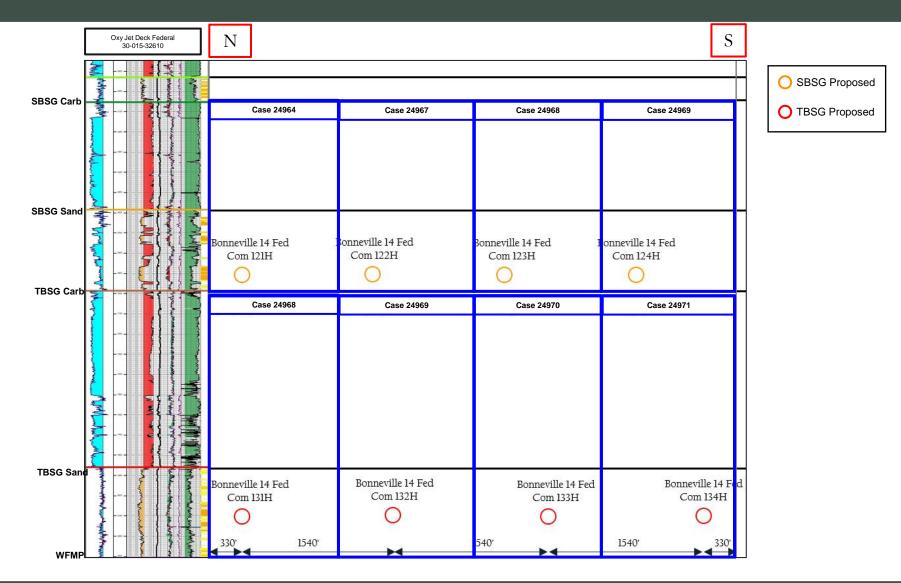


Page 32 of 59

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B-5 (**P**2)

Gun Barrel Development Plan Bonneville 14 Fed Com Bone Spring



ibit B-6

Page 33_of 59

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STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 24965

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Permian Resources Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1**, and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. **Exhibit C-2** also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as Exhibit C-

3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On November 14, 2024, I caused a notice to be published in the Carlsbad Current -Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current - Argus along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy Dana S. Hardy November 24, 2024 Date

> Permian Resources Operating, LLC Case No. 24965 Exhibit C



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

November 12, 2024

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24964, 24965, & 24966 – Applications of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Units, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 5, 2024**, beginning at 9:00 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing The statement must be submitted through the OCD E-Permitting date. system (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/) via e-mail or to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this application, please contact Ryan Curry, Senior Landman at Permian Resources Operating, LLC, via e-mail at Ryan.Curry@permianres.com if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

<u>Permian Resources Operating, LLC</u> Case No. 24965 Exhibit C-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24964, 24965, & 24966

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
DLH Capital, LLC	11/12/2024	11-22-2024
5956 Sherry Lane Suite 1500	9589071052701502394991	
Dallas, TX 75225		
Fasken Land & Minerals Ltd.	11/12/2024	11-20-2024
6101 Holiday Hill Road	9589071052701502395004	
Midland, TX 79707		
Murphy Minerals Corp.	11/12/2024	Per USPS Tracking 11-24-
PO Box 2164	9589071052702159748519	2024: Item delivered 11-18-
Roswell, NM 88202-2164		2024
Harvard & Lemay Exploration	11/12/2024	11-18-2024
Ltd.	9589071052702159748526	
PO Box 936		
Roswell, NM 0936 88202-0936		
Harvard & Lemay Exploration	11/12/2024	11-19-2024
LtdSeries 1977-A	9589071052702159748533	
PO Box 936		
Roswell, NM 88202-0936		
Harvard & Lemay Exploration	11/12/2024	11-18-2024
LtdSeries 1978-A	9589071052702159748540	
PO Box 936		
Roswell, NM 88202-0936		
Tom Boyd Drilling Co.	11/12/2024	Per USPS Tracking 11-24-
PO Box 1756	9589071052702159748557	2024: Item in transit
Roswell, NM 88202-1756		
Tascosa Energy Partners, LLC	11/12/2024	11-19-2024
901 W. Missouri Avenue	9589071052702159748564	
Midland, TX 79701		
Harvard Energy Partners, L.P.	11/12/2024	11-18-2024
PO Box 936	9589071052702159748571	
Roswell, NM 88202		
Murphy Petroleum Corporation	11/12/2024	11-20-2024
PO Box 2545	9589071052702159748588	
Roswell, NM 88202		
Lemor LLC	11/12/2024	11-20-2024
PO Box 2164	9589071052702159748595	
Roswell, NM 88202		

Permian Resources Operating, LLC Case No. 24965 Exhibit C-2

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24964, 24965, & 24966

NOTICE LETTER CHART

Centaur Resources Corporation	11/12/2024	11-22-2024
PO Box 2648	9589071052702159748601	
Roswell, NM 88202		
Integrated Petroleum LLC	11/12/2024	11-22-2024
PO Box 1561	9589071052702159748618	
Roswell, NM 88202		
Promontory Exploration LP	11/12/2024	Per USPS Tracking 11-24-
400 W. Wall Street Suite 300	9589071052702159748625	2024: Item delivered 11-15-
Midland, TX 79701		2024
Brooks Oil & Gas Interests Ltd.	11/12/2024	Per USPS Tracking 11-24-
5515 Cedar Valley Drive	9589071052702159748632	2024: Item in transit
Loveland, CO 80537		
NMNO 2023, LP	11/12/2024	11-20-2024
400 W. Wall Street Suite 300	9589071052702159748649	
Midland, TX 79701		

Don	RECEIPT	
	lelivery information, visit our	website at www.usps.com
S Extra Se	Mail Fee rvices & Fees (check box, add fee as app n Receipt (hardcopy) \$	esprinte) V2b
Certif	n Receipt (electronic) \$	Postmark Here
Postage S Total Po	stage and Fees	Beer Loars
Sent To Street au City, Sta	DLH Capital, LLC 5956 Sherry Lane Suite 1500 Dallas, TX 75225 PRO - 24964-24966 J	

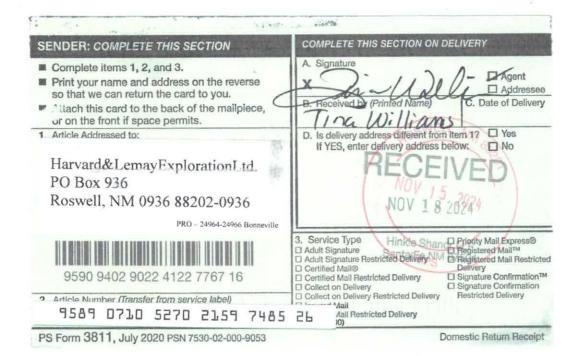


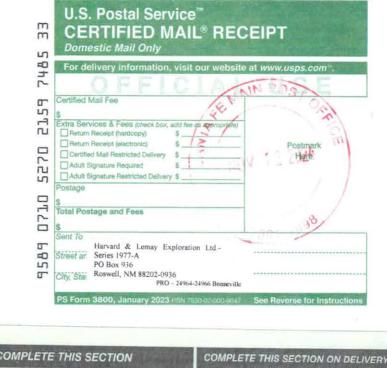
Permian Resources Operating, LLC Case No. 24965 Exhibit C-3

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502		100	
151	Extra Services & Fees (check box, add fee as a populate)	1 2	
7		ostmadk 713	
20	Certified Mail Restricted Delivery \$	Here	
5270	Adult Signature Restricted Delivery \$		
	Postage		
0770	Total Postage and Fees	8	
ū	Sent To	640	
9589	Street ar Fasken Land & Minerals Ltd. 6101 Holiday Hill Road		
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Revers	e for Instructions	











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0710	\$ Total Postage and Fees	8000 9998	_
1589 [Sent To Harvard & Lemay Exploration Street ar PO Box 936 Description 2006		
SENDER: COMPL Complete items Print your name a so that we can re-	and address on the reverse eturn the card to you. to the back of the mailpiece,	COMPLETE THIS SECTION ON A. Signature	DELIVERY
1. Article Addressed to	emay Exploration	D. Is delivery address different from If YES, enter delivery address RECE	VED
Roswell, NM	88202-0936 PRO - 24964-24966 Bonneville	NUV 182	J24
	0022 4122 7766 93	Aduit Signature Santa Fe NM 8 Aduit Signature Restricted Delivery Certified Mail Collect on Delivery	Delivery ☐ Signature Confirmation [™] ☐ Signature Confirmation
2. Article Number (Trai 9589 071	5270 2159 7485	4 Mail Mail Restricted Delivery (over \$500)	Restricted Delivery
PS Form 3811 Jul	2020 DON 7520 00 000 0050		

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

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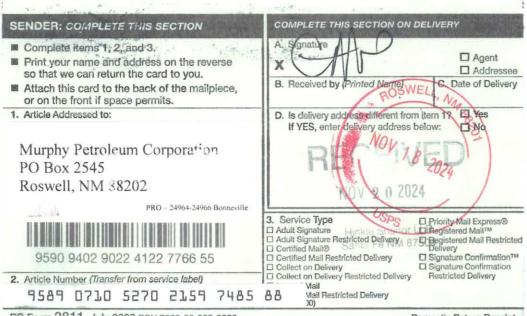




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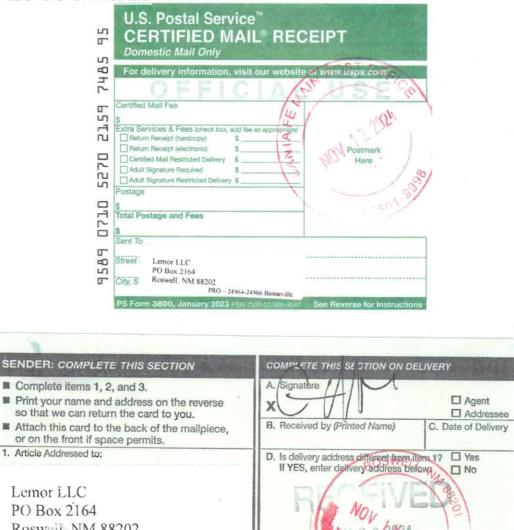






PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt



Roswell, NM 88202 PRO - 24964-24966 Bonneville 3. Service Type nor Le Begistered Mail Adult Signature
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PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt



157-15

PS Form 3811, July 2020 PSN 7530-02-000-9053

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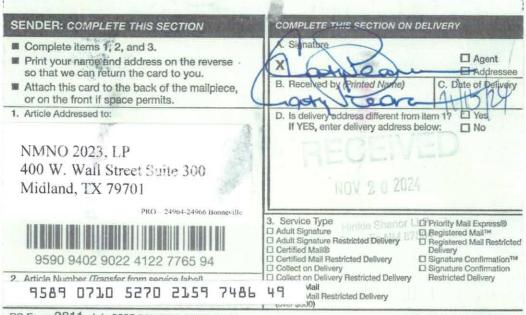


U.S. Postal Service[™]

Released to Imaging: 11/27/2024 4:38:41 PM

Received by OCD: 11/27/2024 10:43:22 AM

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PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt



Tracking Number:

Сору

Latest Update

USPS Tracking[®]

FAQs >

Remove X

Your item was picked up at the post office at 11:06 am on November 18, 2024 in ROSWELL, NM 88201.

USPS Tracking Plus[®]

Get More Out of USPS Tracking:

9589071052702159748519

Delivered **Delivered, Individual Picked Up at Post Office ROSWELL, NM 88201** November 18, 2024, 11:06 am

See All Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-pa a e)

Add to Informed Delivery (https://informeddelivery.usps.com/)

Text & Email Updates	\checkmark
USPS Tracking Plus®	\checkmark
Product Information	\checkmark

See Less A

Track Another Package

Enter tracking or barcode numbers

Feedback



USPS Tracking[®]

Tracking Number:

9589071052702159748632

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item arrived at our USPS facility in PHOENIX AZ DISTRIBUTION CENTER on November 24, 2024 at 5:54 am. The item is currently in transit to the destination.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Moving Through Network Arrived at USPS Regional Facility

PHOENIX AZ DISTRIBUTION CENTER November 24, 2024, 5:54 am

In Transit to Next Facility November 23, 2024

Arrived at USPS Regional Facility

COLORADO SPRINGS CO DISTRIBUTION CENTER November 20, 2024, 10:12 am

Forwarded

LOVELAND, CO November 15, 2024, 12:51 pm

Forwarded

LOVELAND, CO November 15, 2024, 10:36 am

Departed USPS Regional Facility

Remove X

Feedback



USPS Tracking[®]

Tracking Number:

9589071052702159748625

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 2:14 pm on November 15, 2024 in MIDLAND, TX 79701.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivered Delivered, Left with Individual MIDLAND, TX 79701 November 15, 2024, 2:14 pm

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER November 14, 2024, 4:33 pm

In Transit to Next Facility

November 13, 2024

Departed USPS Facility

ALBUQUERQUE, NM 87101 November 12, 2024, 9:48 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 November 12, 2024, 7:13 pm Page 55 of 59

Remove X

Feedback

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5	City, Si PRO-24964-24966 Bonneville		

USPS Tracking[®]

Tracking Number:

9589071052702159748557

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item arrived at our USPS facility in COPPELL TX DISTRIBUTION CENTER on November 24, 2024 at 6:36 am. The item is currently in transit to the destination.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Moving Through Network Arrived at USPS Regional Facility

COPPELL TX DISTRIBUTION CENTER November 24, 2024, 6:36 am

Vacant

ROSWELL, NM 88201 November 15, 2024, 10:34 am

Departed USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER November 14, 2024, 10:14 pm

Arrived at USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER November 14, 2024, 6:43 am

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

FAQs >

Remove X

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 94

Ad Number: 22040 Description: 24964, 24965, 24966 Ad Cost: \$283.52

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

November 14, 2024

That said newspaper was regularly issued and circulated on those dates. SIGNED:

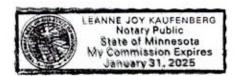
Sherry Dances

Agent

Subscribed to and sworn to me this 22th day of November 2024.

Leanne Kaufenberg, Notad Public, Redwood County Minnesota

> CARA DOUGLAS HINKLE SHANOR, LLP PO BOX 2068 Santa Fe, NM 87504 cdouglas@hinklelawfirm.com



Permian Resources Operating, LLC Case No. 24965 Exhibit C-4

PUBLIC NOTICE

This is to notify all interested parties, including; DLH Capital, LLC; Fasken Land & Minerals Ltd.; Murphy Minerals Corp.; Harvard & Lemay Exploration Ltd.; Harvard & Lemay Exploration Ltd.-Series 1977-A; Harvard & Lemay Exploration Ltd.; Harvard & Lemay Exploration Ltd.-Series 1977-A; Harvard & Lemay Exploration Ltd.-Series 1978-A; Tom Boyd Drilling Co.; Tascosa Energy Partners, LLC; Harvard Energy Partners, L.P.; Murphy Petroleum Corporation; Lemor LLC; Centaur Resources Corporation; Integrated Petroleum LLC; Promontory Exploration LP; Brooks Oil and Gas Interests Ltd.; NMNO 2023, LP; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on applications submitted by Permian Resources Operating, LLC in Case Nos. 24964, 24965, & 24966. The hearing will be conducted on December 5, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/.

In Case No. 24964, Permian Resources Operating, LLC ("Applicant"), applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 400-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 NW/4 of Section 14 and the N/2 N/2 of Sections 15 and 16, Township 20 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the **Bonneville 14 Fed Com #121H** well, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 14 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 16. The completed interval of the well will be orthodox. Applicant seeks to pool interests in from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log. The Unit will partially overlap with the spacing units for the Bonneville 16 State #301H (API No. 30-015-49816), Bonneville 16 State #302H (API No. 30-15-49806), and

Bonneville 16 State #303H (API No. 30-015-49818) wells, which are located in the N/2 of Section 16, Township 20 South, Range 27 East, and produce from the Avalon; Bone Spring, North Pool (Code 3712).

In Case No. 24965, Applicant applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 400-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 NW/4 of Section 14 and the S/2 N/2 of Sections 15 and 16, Township 20 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the Bonneville 14 Fed Com #122H well, which will be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 14 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 16. The completed interval of the well will be orthodox. Applicant seeks to pool interests in from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990[°] TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log. The Unit will partially overlap with the spacing units for the Bonneville 16 State #301H (API No. 30-015-49816), Bonneville 16 State #302H (API No. 30-15-49806), and Bonneville 16 State #303H (API No. 30-015-49818) wells, which are located in the N/2 of Section 16, Township 20 South, Range 27 East, and produce from the Avalon; Bone Spring, North Pool (Code 3712).

In Case No 24966, Applicant applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the Second Bone Spring interval underlying a 400-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 SW/4 of Section 14 and the N/2 S/2 of Sections 15 and 16, Township 20 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the Bonneville 14 Fed Com #123H well, which will be drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 14 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 16. The completed interval of the well

will be orthodox. Applicant seeks to pool interests in from the top of the Bone Spring formation to the base of the Second Bone Spring interval at a stratigraphic equivalent of approximately 6,990' TVD as shown on the Oxy Jet Deck Federal #1 (API No. 30-015-32610) well log. The Unit will partially overlap with the spacing unit for the Bonneville 16 State #204H (API No. 30-015-53736), Bonneville 16 State #304H (API No. 30-15-53498), and Bonneville 16 State #305H (API No. 30-015-53499) wells, which are located in the S/2 of Section 16. Township 20 South, Range 27 East, and produce from the Avalon; Bone Spring, North Pool (Code 3712) and Avalon; Bone Spring Pool (Code 96381).

Also to be considered in Case Nos. 24964, 24965, and 24966 will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 10 miles North of Carlsbad, New Mexico.

Published in the Carlsbad Current-Argus November 14, 2024. #22040